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C O N F I D E N T I A L SECTION 01 OF 03 KINGSTON 002026

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DEPARTMENT FOR WHA/CAR, WHA/AND, WHA/MEX
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SOUTHCOM FOR POLAD

E.O. 12958: DECL: 08/26/2015

TAGS: [PREL](#) [PGOV](#) [ENRG](#) [JM](#)

SUBJECT: VENEZUELAN PRESIDENT HUGO CHAVEZ VISITS JAMAICA

REF: SIEBENGARTNER/COLLINS 8/23 E-MAIL

Classified By: Charge d'Affaires Thomas C. Tighe. Reasons 1.4(b) and (d).

Summary

1. (C) Venezuelan President Hugo Chavez visited Jamaica August 23 to conclude a 16-point agreement with Prime Minister P.J. Patterson, including a bilateral Petro-Caribe accord. Chavez arrived the day after U.S. televangelist Pat Robertson called for the USG to assassinate him, raising the profile of a visit that Patterson would just as soon have kept more discreet. At least one member of Patterson's Cabinet expressed misgivings to the Prime Minister about Chavez's motives, but Patterson evidently decided that Jamaica could ill afford to turn down the PetroCaribe offer. Senior Foreign Ministry officials insist that the GOJ's goal in signing the accord is to ensure access to cheaper petroleum, not make a political statement. At Chavez's suggestion, the GOJ is considering playing host to yet another gathering of PetroCaribe nations, this one on September 6, in Jamaica, in part to commemorate the 190th anniversary of Simon Bolivar's 1815 "Letter from Kingston", in which the Libertador called for the political integration of Latin America and the Caribbean. End Summary.

The Visit Shapes Up

2. (U) Venezuelan President Hugo Chavez visited Montego Bay on August 23 to sign a 16-point communique with Prime Minister P.J. Patterson (e-mailed to Desk per Ref), which included finalizing their bilateral PetroCaribe Energy Cooperation Agreement. In the days prior to Chavez's arrival, Ministry of Foreign Affairs and Foreign Trade Minister of State Delano Franklyn issued a statement welcoming the Venezuelan leader and pre-emptively offered that Franklyn saw no reason why the USG might object. According to the joint communique of August 23, Chavez was accompanied by an official delegation of 14, including Foreign Minister Ali Rodriguez, Interior Minister Jesse Chacon, and Minister of State for Integration and Foreign Trade Gustavo Marquez. While in Jamaica, Chavez reportedly planned to look in on the Venezuelan military construction detachment in Brighton, Westmoreland, but he was hours late in arriving from Cuba and unable to do so. U.S. televangelist Pat Robertson's August 22 call for the USG to assassinate the Venezuelan leader significantly raised the profile of Chavez's visit, to the chagrin of the GOJ.

Foreign Ministry: It's About Cheap Oil, Not Politics

3. (C) On August 25, Ministry of Foreign Affairs and Foreign Trade (MFAFT) Bilateral Affairs Director Courtenay Rattray (Jamaica's immediate former DCM in Washington) told Pol/Econ Chief that Jamaica's primary motivation in signing the PetroCaribe accord with the GOV is cheap oil and favorable terms of payment, not politics. He said that Chavez had expressed a sense of obligation to help smaller, vulnerable neighbors such as Jamaica and other Caricom states, and that PetroCaribe is a concrete expression of that commitment. Rattray acknowledged that fellow Caricom states Trinidad and Tobago, and Barbados, had expressed concerns about PetroCaribe, and implied that their reservations were largely due to domestic petroleum/competition issues (in the case of Trinidad) and to concern about potential negative U.S. reaction (Barbados). Jamaica, he said, simply could not afford to let pass the opportunity offered by PetroCaribe to secure its energy future.

4. (C) Rattray said that the GOV was quick to provide Jamaica with disaster assistance following Hurricane Ivan in September 2004, sending a Venezuelan military construction detachment to rebuild housing in Westmoreland. He also cited a number of other building projects in which GOV financing has been instrumental: the Montego Bay Civic Center; Port

Maria Civic Center (Phase I of II has been completed); and the Greenfield Multi-purpose Sports Complex in Trelawny. Unspecified work- and poverty alleviation programs have also received GOV funding, said Rattray. Asked about the planned activities by the "Bolivarian Institute for Cultural Cooperation" (Point 12 of Ref communique), Rattray replied that planning is well advanced for a building in Kingston to house the Institute. He could not specify what the Institute's primary purpose would be, but speculated that it would include Spanish language instruction and serving as a repository for information on Bolivar.

Another PetroCaribe Event on September 6?

15. (C) According to Rattray, Chavez suggested to Patterson that Jamaica host PetroCaribe countries at another ceremony (most likely in Kingston or Montego Bay) on September 6, to mark the conclusion of the CARICOM PetroCaribe deals being concluded bilaterally in capitals. The GOV-hosted PetroCaribe event in Puerto La Cruz, he explained, had been a "framework" ceremony after which individual states finalized their bilateral accords with the GOV, which is why Chavez visited Jamaica. The significance of the September 6 date, he explained, is that it is the 190th anniversary of Simon Bolivar's 1815 "Letter from Jamaica" in which the exiled Libertador laid out his thoughts on republican government and political integration throughout the hemisphere.

16. (C) Asked whether Cuban President Fidel Castro would attend the September event, Rattray professed not to know. Pol/Econ Chief raised the possibility that Chavez's petroleum generosity might come with strings attached, such as GOV expectations about how Jamaica should vote at the UN or OAS; Rattray replied that there had been no hint of such conditionality by the GOV: "We must take at face value" that the GOV has no ulterior motives in offering PetroCaribe's generous terms, he said. Rattray then asked the USG's perspective on PetroCaribe arrangements. Pol/Econ Chief acknowledged the seeming attractiveness of the agreement but observed that it seemed highly unlikely that the GOV would offer such favorable terms with no expectation of quid pro quo. He then outlined USG concerns about Chavez's destabilizing activities in neighboring states, and his undermining of democratic institutions at home.

17. (C) In an August 25 meeting with Charge and Pol/Econ Chief, Ambassador Douglas Saunders, MFAFT Permanent Secretary, described the Chavez visit as "largely bilateral." Previous arrangements with Mexico governing concessional petroleum financing under the San Jose Accord, he said, had become so cumbersome that Jamaica and other prospective beneficiaries find themselves unable to access the funding set aside for their use. The GOJ raised this with Mexican President Vicente Fox during his visit to Jamaica earlier in 2005, but PetroCaribe is a way of securing petroleum at favorable prices, as well as development funding. Saunders said that the GOJ is willing to send a representative to Mexico City to testify before the legislature about the importance of the Mexican petroleum agreement, and the problems with it, and that PetroCaribe provides leverage for changes in the Mexican oil agreement. Meanwhile, the GOV deal will not only help to expand Jamaica's refining capacity, but to expand the types of petroleum it can refine here.

PNP Loyalists Discuss Chavez Visit

18. (C) Balfour Denniston, a member of the ruling Peoples National Party (PNP) National Executive Committee (NEC - the party's highest decision-making body outside of the annual convention) told Pol/Econ Chief and poloff August 25 that Patterson was the driving force in the GOJ behind concluding the PetroCaribe agreement with Chavez, overriding some in his Cabinet who raised concern that the benefits of the deal with Venezuela might come at the cost of worsened relations with the U.S., something that Jamaica could ill afford. In this regard, Denniston specifically mentioned National Security Minister Phillips, although he implied that there had been others who shared his wariness of Chavez. Like the MFAFT's Rattray, Denniston cited favorable oil prices, not politics, as the GOJ's primary motivation in concluding the deal. Later in the conversation, however, Denniston implied that Patterson might have had additional reasons for agreeing to the deal with Chavez. According to Denniston, there are "rumors" in some PNP circles that the USG greatly dislikes Patterson and wants to be rid of his government. According to the rumor, said Denniston, the USG "has cut a deal" with the opposition Jamaica Labor Party to engineer a PNP defeat at the polls during the next general elections, which must be held by 2007. Embodiments pressed for specifics about the rumor but none were forthcoming.

9. (C) Pol/Econ Chief emphasized to Denniston that the USG does not have a party preference in Jamaica and that, in fact, we have worked closely with the current GOJ on a number of significant issues. USG interests are in strengthened democratic institutions and in transparent processes in Jamaica, not in which political party governs the country. He also suggested that Denniston and others hearing such rumors ask tougher questions of those circulating them rather than accepting them uncritically. Denniston seemed to take the point.

10. (C) In an August 24 meeting with Labor Minister Horace Dalley on other matters, poloff asked the Minister for his views on the Chavez visit. Dalley, a PNP insider who is among the less ideological of senior GOJ officials, replied that Mexico has been an unreliable partner in the San Jose Accord, which is why Jamaica is looking more toward Venezuela for preferential oil arrangements. Without offering specifics, Dalley mentioned that Mexico "owes" Jamaica USD 95 million under the San Jose Accord, but has not delivered the money. Dalley agreed that PetroCaribe is a very generous deal that does not ask much of the GOJ, and explained for that reason, the Patterson government was very keen to sign it as quickly as possible, while the terms were still very favorable.

11. (C) Offering what he termed a personal assessment of Chavez, Dalley said that he does not think the Venezuelan president is a very strong or intelligent leader. When poloff pointed out the problems the USG has with Chavez' frequent anti-American diatribes, Dalley replied that PM Patterson is also uncomfortable with Chavez's rhetorical excesses. He suggested that Patterson looked a bit stiff in the media photo of their encounter, which shows the smiling Chavez with his arm around a seemingly reticent Patterson. Dalley also mentioned that the governments of Trinidad & Tobago, Barbados, and Curacao recently had all expressed their concern that there has been an increase in drug traffic from Venezuela to their respective countries. He also maintained that he heard the Venezuelan army was overhauling its stock of weapons, and observed that, while he believes most of the illegal firearms arriving in Jamaica today come from Haiti, many of the Venezuelan military's old weapons could find their way to the Caribbean.

Comment

12. (C) Temperamentally, Patterson and Chavez seem polar opposites, an impression unwittingly reinforced by the photograph of their awkward "embrace" shortly after signing the PetroCaribe agreement. Patterson is well aware of current difficulties between the USG and the GOV, and of potential downsides to concluding the agreement, particularly as some in his Cabinet expressed unease about Chavez's motives. Notwithstanding the rumored USG unhappiness with Patterson as cited by Denniston, the Prime Minister likely concluded that the expected benefits to Jamaica of an attractive petroleum deal with Venezuela outweigh the potential risks of making Jamaica overly reliant on Chavez. Pol/Econ Chief is scheduled to meet on August 29 with a senior Commerce Ministry official for additional background on the PetroCaribe agreement and will report further at that time.
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